



August 24, 2011

VIA ELECTRONIC SUBMISSION

Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re. WC Docket Nos. 10-90, 07-135, 05-337, 03-109;
CC Docket No. 01-92, 96-45
GN Docket No. 09-51

Dear Chairman and Commissioners:

In response to the Federal Communication Commission's recent Further Inquiry¹, Asian American Justice Center (AAJC), a member of the Asian American Center for Advancing Justice, writes to express its support for the Commission's efforts to modernize and reform the universal service fund (USF) and intercarrier compensation (ICC) system. This reform is long overdue and AAJC appreciates the Commission's efforts to support the efficient deployment of broadband across America and help close the digital divide.

AAJC is a national non-profit, non-partisan organization whose mission is to advance the civil and human rights of Asian Americans and Pacific Islanders (AAPIs) and other underserved communities. As a member of the Asian American Center for Advancing Justice, AAJC works in conjunction with its affiliates to engage in litigation, public policy, advocacy, and community education on a range of issues, including promoting policies that will result in increased broadband deployment and adoption in minority and other underserved communities.

A number of parties have put forth specific proposals for USF/ICC reform, including the "RLEC Plan" proposed by the Joint Rural Associations and the "America's Broadband Connectivity Plan" ("ABC Plan") proposed by six Price Cap Local Exchange Carriers (LEC). These plans reflect an unprecedented amount of support and compromise from key players that give the FCC a pathway to fix a broken USF/ICC system, provide regulatory certainty, and expedite broadband buildout. The Commission should seriously consider these proposals and take this opportunity to move quickly to modernize USF and ICC.

¹ *Further Inquiry Into Certain Issues in the Universal Service-Intercarrier Compensation Transformation Proceeding*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket No. 01-92, 96-45; GN Docket No. 09-51 (rel. Aug. 3, 2011).



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AAJC works to improve access to essential telecommunications services such as broadband for minority, underserved, unserved, and low-income communities. AAJC believes cost of services is one of the major barriers to broadband adoption in the communities AAJC serves.² While the plans provide a workable framework, AAJC urges the Commission to ensure that low-income programs retain support and that price increases are minimized when evaluating the proposals to reform USF and ICC.

In a previous letter, AAJC and its colleague organizations, through the Leadership Conference Media/Telecommunications Task Force, urged the Commission to consider a modest recalibration of USF given the disparity between the high and low cost funds and the identification of \$1B of cost savings.³

It should also be noted that approximately 90% of all Asian Americans live in urbanized areas.⁴ The realization of benefits from USF for Asian Americans and other minorities are disproportionate to their contributions to USF. AAJC appreciates the needs of rural America and acknowledges that many disadvantaged groups live in rural areas, however, given these geographic disparities, AAJC strongly encourages the Commission to ensure that the shifting of funds to the Connect America Fund takes into account these concerns.

Finally, the ABC Plan gives price cap incumbent LECs the opportunity to rely to a greater extent on retail customer revenue, and sets rate benchmarks to limit consumer rates by loosening restrictions on the federal SLC and pricing flexibility.⁵ The use of benchmarks and rate increase limits is appropriate and important to ensure that retail customer rate increases are kept to a minimum. While competition from other technologies exists, AAJC urges the Commission to examine the potential for consumer price increases. The Commission should ensure the burden on consumers is minimized and closely examine the impact on certain portions of the population, especially low-income consumers.

AAJC is encouraged to see consensus building to modernize USF and ICC. AAJC looks forward to working with the Commission to bring broadband to all Americans. Please feel free to contact me at 202-296-2300 ext. 122 or jlagria@advancingequality.org, if you have any questions.

² AAJC has commented repeatedly about the lack of accurate information about the adoption profile for Asian Americans because of English-only surveys and the lack of English proficiency in the Asian American community.

³ Letter from The Leadership Conference on Civil and Human Rights, to Chairman and Commissions, FCC, CC Docket 96-45 et al. (filed April 21, 2011).

⁴ 2005-2009 American Community Survey Five-year estimates. Approximately 90% of Asian Americans and Non-White Hispanics live in urbanized areas, compared to 80.6% and 61.7% of Blacks and Whites, respectively.

⁵ Letter from Robert W. Quinn, Jr., AT&T, Steve Davis, Century Link, Michael T. Skrivan, FairPoint, Kathleen Q. Abernathy, Frontier, Kathleen Grillo, Verizon, and Michael D. Rhoda, Windstream, to Marlene H. Dortch, Attach. 1 at 11-12, FCC, WC Docket No. 10-90 et al. (filed July 29, 2011) (ABC Plan).

Sincerely,

/Jason T. Lagria/

Staff Attorney

Asian American Justice Center

Cc: Marita Etcubanez